

Downtown Center Business Improvement District

BOARD OF DIRECTORS MEETING

MINUTES

January 9, 2008

Board of Directors

Sonny Astani, Barbara Bundy, Frank Frallicciardi, John Goldrick, Kent Handleman, Robert Hanasab, Marc Loge, Sandy Nam, Steve Provencio, Carol Schatz, Kevin Houser, Patrick Spillane, Jeffrey Griswold, Kim McCleary

Absent

Steve Hathaway, Peter Zen, A. Bingham Cherrie, Robert Cushman, David Damus, Anne Peaks, Peklar Pilavjian, Harry Richter, Colin Shepherd

Staff

Hal Bastian, Jon Niiro, Ken Nakano, Heidi Nixon, Justin Weiss, Bobby Ortiz

Guests

None

CALL TO ORDER

Bundy called the meeting to order without a quorum at 8:08 a.m. A quorum was reached at 8:31 a.m.

PROPERTY OWNER/PUBLIC COMMENT PERIOD ON AGENDA ITEMS

Bundy opened the meeting to the public for comments, in which there were none.

APPROVAL OF MINUTES

Spillane made a motion to approve the Minutes from the December 5, 2007 Board of Directors meeting, which was seconded by Provencio, and the motion was unanimously approved.

PRESIDENT'S REPORT

Schatz reported:

Jules Verne took place in December and was a success.

Schatz suggested a town hall meeting between LAPD and residents to open a dialogue and allow residents to voice their concerns over the recent settlement between the ACLU and the City, which allows homeless individuals to sleep on the street between 9 p.m. and 6 a.m. Schatz has received complaints from local residents about harassment and confrontation with homeless individuals. DCBID Safety patrol has increased personnel around residences to provide assistance. Schatz will address the issue of increased harassment and violent behavior with LAPD and asked board members for their assistance to help quantify added security costs. For the upcoming year, the DCBID will focus on safety to maintain the confidence in Downtown by property owners, investors, and residents.

Schatz announced Heidi Nixon's resignation, due to personal reasons. Schatz commended Nixon's achievements with the DCBID and thanked her for her outstanding contribution.

NEW BOARD MEMBER

Schatz introduced Kevin Houser, Regional Manager at Broadway Real Estate Services, as a new board member. Houser has 23 years of commercial real estate experience and joined Broadway Real Estate Services in December 2004. Houser has been involved in the managing, leasing, and tenant improvements of over ten million square feet of office space. He has held positions at Hines, Manulife Financial, VMS Realty Services, and Charles Dunn Company. Houser holds a B.S. degree in Business from California State Polytechnic University, Pomona, California; a California Real Estate License; and an RPA Designation from BOMA.

Schatz recommended Houser to the Board. The Board unanimously consented to Houser's Board membership.

AMENDMENTS TO BYLAWS

After discussion, Spillane made a motion to amend the bylaws, which was seconded by Goldrick, and the motion was unanimously approved.

Resolution 1

WHEREAS, the members of the Board of Directors of the DCBID desire to amend portions of the Bylaws of the DCBID relating to removal of a Director who fails to habitually attend regular meetings, alternates, and Vice Chairman to better facilitate management of the DCBID affairs.

NOW THEREFORE, BE IT HEREBY:

RESOLVED, that Article IV, of the Bylaws be amended as set forth hereinafter:

1. Amend Article IV, Section 11 as follows:

(a) Current Article IV, Section 11

Section 11. Vacancies:

(a) Events causing a vacancy or vacancies in the Board of Directors shall be decreed to exist on the occurrence of the following: (i) the death, resignation, or removal of any director (including by reason of the fact that such director no longer holds the position which made such director eligible to be elected as set forth in Section 2 above); (ii) the declaration by resolution of the Board of Directors of a vacancy of the office of a director who has been declared of unsound mind by an order of court or convicted of a felony or has been found by final order of judgment of any court to have breached a duty under the California Nonprofit Corporation Law; (iii) the increase of the authorized number of directors; (iv) the failure of the members, at any meeting of members at which any director or directors are to be elected, to elect the number of directors to be elected at such meeting; (v) if (1) a director fails to attend nine of the twelve regular meetings of the Board of Directors and (2) a majority of the Board of Directors elects to remove such director.

(b) Any vacancy occurring in the Board of Directors and the directorships to be filled by reason of an increase in the number of directors shall be filled by a majority of the remaining directors, though less than a quorum, or a sole remaining director. A director elected to fill a vacancy shall hold office during the unexpired term of his or her predecessor in office and until his or her successor is elected.

(b) Amended Article IV, Section 11 to read as follows:

Section 11. Vacancies:

(a) Events causing a vacancy or vacancies in the Board of Directors shall be decreed to exist on the occurrence of the following: (i) the death, resignation, or removal of any director (including by reason of the fact that such director no longer holds the position which made such director eligible to be elected as set forth in Section 2 above); (ii) the declaration by resolution of the Board of Directors of a vacancy of the office of a director who has been declared of unsound mind by an order of court or convicted of a felony or has been found by final order of judgment of any court to have breached a duty under the California Nonprofit Corporation Law; (iii) the increase of the authorized number of directors; (iv) the failure of the members, at any meeting of members at which any director or directors are to be elected, to elect the number of directors to be elected at such meeting; (v) if (1) a director fails to attend fifty percent of the regular meetings of the Board of Directors and (2) a majority of the Board of Directors elects to remove such director.

(b) Any vacancy occurring in the Board of Directors and the directorships to be filled by reason of an increase in the number of directors shall be filled by a majority of the remaining directors, though less than a quorum, or a sole remaining director. A director elected to fill a vacancy shall hold office during the unexpired term of his or her predecessor in office and until his or her successor is elected.

1. Amend Article IV, Section 3 as follows:

(a) Current Article IV, Section 3

Section 3. Regular Meetings:

Regular meetings of the Board shall be held without notice at such time as shall from time to time be fixed by resolution of the Board. In the absence of designation, regular meetings shall be held at the principal executive office of the Corporation. A Director may not designate a representative to attend Board of Directors meetings, regular, special, or annual, on his/her behalf.

(b) Amend Article IV, Section 3

Section 3. Regular Meetings:

Regular meetings of the Board shall be held without notice at such time as shall from time to time be fixed by resolution of the Board. In the absence of designation, regular meetings shall be held at the principal executive office of the Corporation.

(c) Additionally, to correspond with the amendment to Article IV, Section 3; Article IV, Section 16 has been added:

Section 16. Alternates:

Each director shall be permitted to designate one alternate to attend the meetings in his or her place in the event that the director is unable to attend. Each alternate must be approved in advance by a majority of the Board of Directors. No director may designate more than one alternate. A director's alternate shall be entitled to vote and take any other actions which may be required of the elected director at the meeting attended.

RESOLVED, that Article V, of the Bylaws be amended as set forth hereinafter:

1. Amend Article V, Section 1 as follows:

(a) Current Article V, Section 1.

Section 1. Officers.

The officers of the Corporation shall be a Chairman of the Board, a First Vice Chairman and a Second Vice Chairman of the Board who will have identical duties, a President, a Secretary, a Treasurer, and such other officers as may be elected to the offices created by the Board. Officers shall have powers and duties as specified herein and as may be additionally prescribed by the Board. One person may hold two or more offices, except those of the President and Treasurer but not officer shall execute, acknowledge, or verify any instrument in more than once capacity, if such instrument is required to be executed, acknowledged or verified by two or more officers.

(b) Amended Article V, Section 1 to read as follows:

Section 1. Officers:

The officers of the Corporation shall be a Chairman of the Board, three Executive Vice Chairmen of the Board who will have identical duties, the immediate past Chairman of the Board, a President, a Secretary, a Treasurer, and such other officers as may be elected to the offices created by the Board. Officers shall have powers and duties as specified herein and as may be additionally prescribed by the Board. One person may hold two or more offices, except those of the President and Treasurer but not officer shall execute, acknowledge, or verify any instrument in more than once capacity, if such instrument is required to be executed, acknowledged or verified by two or more officers.

2. Amend Article V, Section 2, as follows:

(a) Current Article V, Section 2.

Section 2. Election and Term of Office:

The officers of the Corporation shall be elected annually by the Board of Directors at the regular annual meeting of the Board of Directors, except for the President, who is appointed by the Board. If the election of any officer shall not be held at such meeting, such election shall be held as soon thereafter as conveniently possible. All officers, except the Chairman and First Vice Chairman, shall be elected to a one-year term, but may be reelected for succeeding terms without limitation. The Chairman and the First Vice Chairman shall be elected to serve two-year terms, but may be elected for succeeding terms without limitation. The President will retain his or her appointed position indefinitely until a replacement appointment is made by the Board. New offices may be created and filled, and vacancies may be filled, at any meeting of the Board of Directors. Each officer shall hold office until a successor shall have been elected or appointed, unless otherwise removed.

(b) Amended Article V, Section 2 to read as follows:

Section 2. Election and Term of Office:

The officers of the Corporation shall be elected annually by the Board of Directors at the regular annual meeting of the Board of Directors, except for the President, who is appointed by the Board. If the election of any officer shall not be held at such meeting, such election shall be held as soon thereafter as conveniently possible. All officers, except the Chairman, shall be elected to a one-year term, but may be reelected for succeeding terms without limitation. The Chairman shall be elected to serve two-year terms, but may be elected for succeeding terms without limitation. The term of the immediate past Chairman shall be two years or until such time as the current Chairman's term expires. The President will retain his or her appointed position indefinitely until a replacement appointment is made by the Board. New offices may be created

and filled, and vacancies may be filled, at any meeting of the Board of Directors. Each officer shall hold office until a successor shall have been elected or appointed, unless otherwise removed.

3. Amend Article V, Section 7 as follows:

(a) Current Article V, Section 7.

Section 7. Vice Chairmen of the Board:

In the absence of the Chairman of the Board, the First Vice Chairman shall preside at all meetings of the Board of Directors. If neither the Chairman nor the First Vice Chairman is available, the Second Vice Chairman shall preside at the Board meeting.

(b) Amended Article V, Section 7 to read as follows:

Section 7. Executive Vice Chairmen of the Board:

In the absence of the Chairman of the Board, any of the three Executive Vice Chairmen of the Board shall preside at all meetings of the Board of Directors. If neither the Chairman nor any of the three Executive Vice Chairmen are available, any officer shall preside at the Board meeting. In their absence, some other member should in such case call the meeting to order, and a chairman pro tem be elected who shall preside at the Board meeting.

RESOLVED, that Article VI, of the Bylaws be amended as set forth hereinafter:

1. Amend Article VI, Section 1, as follows:

(a) Current Article VI, Section 1, as follows:

Section 1. Executive Committee:

There shall be an Executive Committee comprised of the Chairman of the Board, the President, the First Vice Chairman of the Board, the Second Vice Chairman of the Board, Treasurer and Secretary. The Executive Committee shall exercise such of the Board's authority as delegated by the Board except for the power to fill vacancies on the Board or to amend, repeal, or adopt bylaws. The Executive Committee shall report on a regular basis to the Board of Directors.

(b) Amended Article VI, Section 1 to read as follows:

Section 1. Executive Committee:

There shall be an Executive Committee comprised of the Chairman of the Board, the immediate past Chairman of the Board, the President, the three Executive Vice Chairmen of the Board, Treasurer and Secretary. The Executive Committee shall exercise such of the Board's authority as delegated by the Board except for the power to fill vacancies on the Board or to amend, repeal, or adopt bylaws. The Executive Committee shall report on a regular basis to the Board of Directors.

DESIGNATION OF MEETINGS

Schatz recommended changing the schedule of Board of Directors meetings from monthly to bi-monthly (every other month). Handleman made a motion to approve the recommended change, which was seconded by Spillane, and the motion was unanimously approved.

COMMITTEE REPORTS

FINANCE

Jon Niro reported the November 30, 2007 Financials (YTD):

Net Revenue:	\$1.139 million
Total Revenue:	\$5.056 million
Total Expenses:	\$4.071 million
Public Safety:	\$1.524 million
Maintenance:	\$878,863

Spillane made a motion to approve November 30, 2007 Financials, which was seconded by Frallicciardi, and the motion was unanimously approved.

ECONOMIC DEVELOPMENT

Bastian reported the following:

Downtown Living Weekend, which was scheduled to take place in March 2008, has been postponed. The event is projected to take place on a smaller scale some time between late Spring and early Fall 2008. A nominal fee, which will offset advertising costs, will be charged to encourage the broadest possible participation by Downtown buildings, restaurants, and theaters. Different themes and attractions were discussed for the upcoming and future events.

The Downtown DVD and brochure will be completed between late February and early March.

DCBID will focus efforts to recruit occupants to Downtown office space. The Downtown office market has proved favorable, and as a result, PSOMAS, Harley Ellis Devereaux, and KOR are relocating to Downtown in 2008.

Bottega Louie Restaurant & Gourmet Market is under construction on 7th Street. Also, Wokcano will soon open a restaurant on 7th.

DCBID continues to have discussions with Paul Cummins, Director of the New Visions Foundation, who is interested in opening a private school in Downtown Los Angeles.

On January 20th, the DCBID will provide a bus and accompany renowned photographer Julius Shulman around Los Angeles during his photoshoot.

MARKETING

Nixon reported:

DCBID will take out advertisements promoting shopping, dining and holiday events including Ice Skating at Pershing Square, Santa at Grand Central Market, and 7+FIG, performances at The Colburn School and Walt Disney Concert Hall and much more. The ads will include:

- Los Angeles Times – 4 half page, full color ads to run in California section on 12/5, 12/7 12/12 and 12/13. Plus 2 full page ads to run in The Guide on 12/6 and 12/13.
- Holiday advertisements: LA Times print and admail to 83,000 subscribers, which has an 8% open rate.
- Latimes.com – 1 admail to 83,000 subscribers on 12/12

- LA Downtown News – 3 half page, full color ads to run on 12/3, 12/10 and 12/17
- E-Newsletter – sent to 5,000 database
- Website – www.downtownla.com will list holiday events and programs

The Marketing department supported the Annual Fall Program and Tour.

The Jules Verne Adventure Film Festival events and programming will run December 5-16 at two historic venues, the Shrine Auditorium and the Los Angeles Theatre on Broadway. Loge worked closely with festival organizers, and reports the opening night has been oversold. DCBID will track the festival's results and report to the board.

Dave Dean will host the "GIANT MAXIMUS" New Year's Eve Event on Monday, December 31st, which will be held on the private parking lot between 8th & 9th Francisco and the 110 freeway. The event is strictly 21+ and will run from 8 pm to 4 am, with a 10,000-person. Dean will provide his own security with some perimeter support from the DCBID. Francisco Street will be closed to traffic the night of the event.

The Juror Video and Guide continue to be updated.

The DCBID is assisting the Music Center with the production of their restaurant and hotel guide to Downtown. DCBID will be the fiduciary receiver, responsible for receiving money from participants and paying vendors. The DCBID receives a half page ad on the back cover of the guide in exchange for our support.

OPERATIONS

Nakano reported:

Safety personnel responded to 4,982 calls for service, largely related to Crime Prevention and Quality of Life Issues. Aggressive panhandling and harassment by street people remain a problem in Downtown. There has been a rise in graffiti. Maintenance has worked tirelessly to remove graffiti in the area.

OLD BUSINESS

No old business.

NEW BUSINESS

No new business

ADJOURNMENT

The next meeting will take place on March 5, 2008 at 8:00 a.m.

The meeting was adjourned at 9:12 a.m.